EMPIRE OIL & GAS NL

EMPIRE TO ACQUIRE QUEENSLAND OIL AND GAS ASSETS

Release Date: 26 August 2019

HIGHLIGHTS

- **Empire Oil & Gas NL** (ASX: EGO) ("**Empire**" or the "**Company**") signs conditional binding acquisition of 100% of the issued capital in Venator Cooper 1196 Pty Ltd ("**Venator Cooper**") and Venator Surat 1186 Pty Ltd ("**Venator Surat**") (Venator Cooper and Venator Surat together "**Venator**") from the vendors listed in Schedule 4 hereof ("**Vendors**") (the "**Proposed Acquisition**") pursuant to a heads of agreement ("**Agreement**").
    - Venator Surat holds title to one exploration tenement, ATP 1186P in the Surat Basin, Queensland
    - Venator Cooper has preferred bidder status over ATP 1196(A) in the Cooper-Eromanga Basin, Queensland.
    - Venator is the 100% owner of both tenements.
- It is intended that Empire will undertake a $5,500,000 capital raising (with a potential to accept up to $7,500,000 in total) in conjunction with the Proposed Acquisition.
- The ATP 1186P permit, which is held by Venator Surat, covers an area of 936 km2 on the southern flank of the highly productive Surat Basin located in Queensland, Australia. Within the area of interest, 3.9 MMbbls of oil have been produced from 5 commercial fields with the same target formations. The permit is proximal to existing infrastructure, including the Jackson to Moonie pipeline that traverses the block.
- The ATP 1196(A) permit application, which is held by Venator Cooper, covers an area of 428 km2 that was previously the tightly held core of the ATP-299 block owned by Santos (60%) and Drillsearch (40%). There are 8 commercial fields still producing at rates of ~1200 bopd within the immediate vicinity of the permit having estimated remaining reserves of ~8 MMbbls (December 2013). The permit is proximal to an extensive network of existing infrastructure including the South West Queensland Gas Pipeline that links Ballera to Brisbane and an oil pipeline network to the Jackson oil field and processing facilities.
- The Vendors have maintained the licences in good order and have undertaken work to assess the prospectivity of the permits and are seeking to commence drilling on the projects.
- Empire intends to change its name to Venator Petroleum NL once the Proposed Acquisition is complete.

The Proposed Acquisition is conditional upon, amongst other conditions set out in this announcement, completion of due diligence into Venator and applicable shareholder and regulatory approvals.

The Proposed Acquisition follows an analysis by the Company's board of directors into potential acquisitions across different sectors. The outcome of this analysis was the identification of the opportunity presented in relation to the tenements held by Venator.

On completion, the Proposed Acquisition will amount to a significant change in the nature and scale of the Company's current activities and as such, the Company will be required to obtain approval from its shareholders and to re-comply with Chapters 1 and 2 of the ASX Listing Rules. As part of the Acquisition, the Company proposes to complete a capital raising of up to $7,500,000.

1. Material terms of Proposed Acquisition

The Agreement is conditional on, amongst other matters, due diligence on Venator, completion of the Public Offer (as defined below), execution of a definitive share purchase agreement, the parties obtaining all necessary shareholder, regulatory and third party approvals and consents to give effect to the Proposed Acquisition and no material adverse change occurring prior to satisfaction of the conditions precedent. The consideration payable by the Company on completion of the Proposed Acquisition is the issue of 93,750,000 Shares to the Vendors. The key terms of the Acquisition are set out in Schedule 1 of this announcement.

2. Overview of Venator ATP's

2.1. Authority to Prospect 1186P

The ATP 1186P permit held by Venator Surat covers an area of 936 km^2 on the southern flank of the highly productive Surat Basin (Figure 1). Within the area of interest, 3.9 MMbbls of oil have been produced from 5 commercial fields with the same target formations. The permit is proximal to existing infrastructure, including the Jackson to Moonie pipeline that traverses the block.

The basin forms part of the larger Great Artesian Basin, and inter-fingers westward across the Nebine Ridge with the Eromanga Basin, and eastward across the Kumbarilla Ridge with the Clarence-Moreton Basin. Blocks consisting of the Central West Fold Belt and the New England Fold Belt limit the basin to the south, while in the north the basin has been eroded and unconformably overlies Triassic and Permian sediments of the Bowen Basin.

2.2. ATP 1186P Prospectivity

Several leads are identified within the ATP 1186P permit. Historical technical assessments (e.g. permit relinquishment reports, divestment presentations and gazettal applications), support the presence of leads within the permit area. Ongoing technical studies and 2D seismic acquisition as part of the nominated 4 year primary work program could improve delineation of these structures and potentially high grade a drill-ready target.

2.3. Authority to Prospect 1196(A)

The ATP 1196(A) permit held by Venator Cooper is currently classified as "under application" with Venator Cooper assigned as preferred bidder – announced in February 2015.

The ATP 1196(A) permit covers an area of 428 km2 that was previously the tightly held core of the ATP 299 block owned by Santos (60%) and Drillsearch (40%) (Figure 1). There are 8 commercial fields still producing at rates of ~1200 bopd within the immediate vicinity of the permit having estimated remaining reserves of ~8 MMbbls (December 2013) The permit is proximal to an extensive network of existing infrastructure including the SWQ Gas Pipeline that links Ballera to Brisbane and an oil pipeline network to the Jackson oil field and processing facilities.

2.4. ATP 1196(A) Prospectivity

Several leads are identified within the ATP 1196(A) exploration permit. As with many mature exploration permits, few undrilled 4-way structural closures remain. These closures have been recognised through historical technical assessments such as permit relinquishment reports, divestment presentations and gazettal applications. Potential higher risk, structural/stratigraphic traps within the Birkhead sequence have also been identified. It should be noted that both the significant structural/stratigraphic oil fields (Mulberry and Endeavour) were originally mapped and targeted as 4-way dip closures on the available 2D seismic grid. Subsequent appraisal drilling revealed the stratigraphic trapping mechanism.

Ongoing geotechnical studies and the acquisition of a 3D seismic survey as part of the nominated 4-year primary program could improve delineation of these features and potentially lead to definition of a high-graded drilling target.

Further details of ATP 1186 and ATP 1196(A) are contained in Schedule 5 hereto.

3. Capital Raising

To assist the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules ("**Listing Rules**") and to support its proposed exploration and development strategy following completion of the Proposed Acquisition (as further described below), the Company plans, subject to the approval of the Company's shareholders ("**Shareholders**"), to conduct a capital raising under a prospectus to raise at least $5.5 million and up to $7.5 million through the issue of fully paid ordinary shares in the capital of the Company ("**Shares**") at an issue price of $0.04 per Share ("**Public Offer**").

The Company intends to apply funds raised from the Public Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List of ASX as follows:

Proposed Use of Funds	Min Sub $5.5m	%	Max Sub $7.5m	%
Cap Raising fee	$330,000	6.00%	$450,000	6.00%
Corporate and Admin	$320,000	5.82%	$320,000	4.27%
Planning & Seismic (2D & 3D)	$1,800,000	32.73%	$1,800,000	24.00%
Drilling Well 1	$2,000,000	36.36%	$2,000,000	26.67%
Drilling Well 2	$0	0.00%	$2,000,000	26.67%
Working Capital	$1,050,000	19.09%	$930,000	12.40%
Total	**$5,500,000**	**100%**	**$7,500,000**	**100%**

Notes:

1. *Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal, other items of a general administrative nature.*
2. *The above proposed use of funds is indicative only and sets out the use of the funds of Empire over 2 years from date of re-compliance with Chapters 1 and 2 of the ASX Listing Rules.*

4. Related Party and Control Issues

Assuming completion of the Proposed Acquisition, The Vendors will hold a relevant interest of 30.3%/26.1% of the voting shares of the Company in the minimum/maximum raise scenario.

5. Effect of the Proposed Acquisition on the Company's consolidated statement of financial position

The effect of the Proposed Acquisition on the Companies consolidated statement of financial position as at 31 December 2018, based on the audited half year 31 December 2018 accounts for the Company and Venator is set out in Schedule 2.

Venator's 2017 and 2018 audited accounts are set out in Schedule 3.

6. Pro Forma Capital Structure

The indicative capital structure of Empire following its Proposed Acquisition of Venator, based on the current Empire securities on issue and including the Public Offer, will be as follows:

Capital structure	Existing[1]	Completion	
		Minimum Subscription	Maximum Subscription
Existing Shares	53,618,672	53,618,672	53,618,672
Shares to Vendors	-	93,750,000	93,750,000
Shares under Public Offer	-	137,500,000	187,500,000
Shares to Empire Oil & Gas NL Loan Holders	-	15,000,000	15,000,000
Shares to Trident Capital	-	10,000,000	10,000,000
Total Shares	**53,618,672**	**309,868,672**	**359,868,672**
Existing Options	6,824,000	6,824,000	6,824,000
Fully diluted Share capital	**60,442,672**	**316,692,672**	**366,692,672**

7. New Board and Management Team

Upon completion of the Proposed Acquisition, Messrs Hewitt-Dutton, Gilfillan and McCormick will resign from the board of the Company and Messrs Andrew Kirk and Darren Bromley will be appointed as directors of the Company ("**Proposed Directors**"). The Company is also in negotiations to appoint an independent non-executive chairman. Richard Barker will become company secretary of the Company upon completion of the Proposed Acquisition. The Proposed Directors' qualifications and experience are set out below:

7.1. Darren Bromley, Proposed Director

Mr Bromley has over 27 years' experience in business management and the corporate sector. He was appointed Executive Director of Triangle Energy (Global) Limited (**ASX:TEG**) ("**Triangle**") in July 2014, and currently holds the positions of Chief Financial Officer (April 2010 - present) and Chief Operations Officer (commenced January 2018 - present). He was Company Secretary of TEG from June 2012 to November 2017.

His executive capacity at Triangle includes strategy, financial management, operational management and corporate governance functions.

His experience includes corporate transactions, mergers and acquisitions, business start-ups capital raisings, financial modelling, business development, operational management and company administration.

Mr Bromley previously held CFO positions at ASX listed entities Prairie Downs Metals Limited (Jan 2008 – Feb 2010) and QR Sciences Holdings Limited (**ASX:QRS**) (Jan 2003 – Dec 2007) as well as numerous company directorships, company secretary, and financial management consulting roles for other ASX listed companies including Colonial Resources Limited (**ASX:CLN**) and Western Uranium Limited (**ASX:WTN**).

He holds a Bachelor of Business Degree in Finance, a Master of e-Business and has a great depth of business management and financial experience.

Mr Bromley intends to remain a director of Triangle Energy (Global) Limited.

7.2. Andrew Stuart Kirk, Proposed Director – Technical

Mr. Kirk is an experienced Senior Executive with 27 years in Oil and Gas. He has led large projects in challenging, international and multi-company environments. He is expert in country asset management in Australia, the Middle East and India, and has held country management positions in the UAE (2006-2010) and Libya (2011).

Mr. Kirk worked for Woodside for 17 years. He has identified new business opportunities across the globe and has project managed major asset opportunities in Canada and the USA. (2012-2016)

Mr. Kirk was a senior member of the Woodside executive who has regularly delivered to both the Woodside Board and the Executive Management (2012-2016) on both company strategic direction and specific asset acquisition. He has a global level of experience with an extensive knowledge of negotiation at both the government and corporate level.

He holds a Bachelor of Science, a Post Graduate diploma in petroleum geology and completed the Accelerated Development Programme from the London Business School.

Since 2018 Mr. Kirk has managed Goshawk Energy, a private Oil and Gas company with assets in the Canning Basin of Western Australia. He will continue in this role on a part-time basis.

7.3. Richard Barker – Proposed Company Secretary

Mr Barker has over 8 years' experience in the business management and the corporate compliance sector with a focus on oil and gas companies. Prior to this Mr Barker, an Australian Barrister and Solicitor, worked for 15 years with top tier Law firms in New South Wales and Western Australia. Mr Barker holds a Bachelor of Laws and a Master of Laws.

8. Key risks

The key risks regarding the Company and the Proposed Acquisition are summarised below.

8.1. Completion risk

Pursuant to the Agreement, the Company has agreed to acquire interests in the ATP's, completion of which is subject to the fulfilment of certain conditions. There is a risk that the conditions for completion of the Agreement cannot be fulfilled and, in turn, that completion of the Proposed Acquisition does not occur.

If the Proposed Acquisition is not completed, the Company will incur costs relating to advisors and other costs without any material benefit being achieved.

8.2. Re-quotation of securities on ASX

As part of the Company's change to the nature and scale of its activities, ASX will require the Company to re- comply with Chapters 1 and 2 of the Listing Rules. The Company's securities will remain suspended until completion of the Proposed Acquisition, the Public Offer, re-compliance by the Company with Chapters 1 and 2 of the Listing Rules and compliance with any further conditions ASX imposes on such reinstatement.

There is a risk that the Company will not be able to satisfy one or more of those requirements and that its securities will consequently remain suspended from official quotation.

8.3. Liquidity risk

On completion of the Proposed Acquisition, the Company proposes to issue securities to the Vendors. The Company understands that ASX will treat some of these securities as restricted securities in accordance with Chapter 9 of the Listing Rules.

This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

8.4. Risks associated with operations

(i) *Government and political risk*

The Company's operating activities will be subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

While the Company believes that it will be in substantial compliance with all material current laws and regulations affecting its proposed exploration activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its subsidiaries or its properties, which could have a material adverse impact on operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company or its subsidiaries from proceeding with any future exploration of its properties. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities, development or mining operations or material fines, penalties or other liabilities.

(ii) *ATP's*

The Company's proposed operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. These is no assurance that delays will not occur in connection with grant of or obtaining all necessary renewals of licences/permits from any existing operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, the Company must receive licences/permits from appropriate Governmental authorities.

There is no certainty that the Company will continue to hold all licences/permits necessary to develop or continue operating at any particular property.

(iii) *Government regulation of the oil and gas industry*

The activities of the Company will be subject to various laws governing exploration, development, production, taxes, labour standards and occupational health, safety, toxic substances and other matters. Oil and gas exploration activities are also subject to various laws and regulations relating to the protection of the environment. Although the Company believes that its activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner that could limit or curtail production or development of the Company's properties. Amendments to current laws and regulations governing the operations and activities of the Company or more stringent implementation thereof could have a material adverse effect on the Company's business, financial condition and results of operations. Failure to comply strictly with applicable laws, regulations and local practices relating to ATP application and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

8.5. Early stages of exploration

The ATP's are at an early stage of exploration and success will depend on the Company's ability to implement its exploration strategy and define exploration results from its Projects that are compliant with the JORC Code 2012 Edition. There can be no guarantee that the Company can or will be able, or that it will be commercially advantageous for the Company, to develop the Projects.

Other risks regarding the Proposed Acquisition and the Company can be considered typical risks with respect to an investment in securities of a oil and gas exploration company whose securities are listed on the ASX.

9. Key dependencies

The key dependencies influencing the viability of the Proposed Acquisition are:

(a) Shareholder approval of the Proposed Acquisition;

(b) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable re-admission to the ASX;

(c) quotation of the Company's securities;

(d) completion of the Proposed Acquisition; and

(e) raising sufficient funds to implement the proposed exploration program on the ATP's.

10. Change of Name

Following completion of the Proposed Acquisition, the Company will change its name to "Venator Petroleum NL".

11. Timetable

An indicative timetable for the Proposed Acquisition and associated events is set out below:

Event	Indicative Date
Announce Acquisition	26 August 2019
Notice of Meeting sent to Empire Shareholders	18 September 2019
Lodgement of prospectus with the ASIC & ASX	4 October 2019
Opening date of Public Offer	21 October 2019
Shareholders meeting to approve Acquisition	21 October 2019
Closing date of Public Offer	8 November 2019
Completion of Agreement	21 November 2019
Issue of Shares	21 November 2019
Despatch of holding statements	22 November
Re-quotation on ASX	27 November

Please note that this timetable is indicative only and the Directors of the Company reserve the right to amend the timetable as required.

12. Venator's proposed activities on ATP 1186 and ATP 1196(A)

Venator intends to will drill one - two wells in ATP 1186P in 2020 to identity commercial gas volumes. Should a commercially viable discovery be made it is expected that first gas could be produced by 2022.

Following completion of a Heritage Protection Agreement (HPA) Venator intends to undertake desktop studies in preparation for a 3D seismic survey to identify potential drilling targets for year 2 of the work program.

13. Recent issues of Company securities

Shares Issued	Date of Issue	Price of Issue	Reason for Issue
46,750,000	14 December 2018	$0.02	Part of recapitalisation of Company approved by Shareholders as part of deed of company arrangement
750,000	3 January 2019	$0.02	As above
1,000,000	7 March 2019	$0.02	As above

Options Issued	Date of issue	Price of Issue	Reason for Issue
6,750,000 free attaching options exercisable at $0.04, Expiry 3 Jan 2023	3 January 2019	free	As above

14. Re-compliance with ASX Listing Rules Chapters 1 and 2

Since the Proposed Acquisition will amount to a significant change in the nature and scale of the Company's activities, the Company is required to obtain approval from its Shareholders for the Proposed Acquisition and must re-comply with Chapters 1 and 2 of the Listing Rules.

15. Shareholder approvals

A notice of meeting seeking Shareholder approval for the resolutions required to give effect to the Acquisition will be sent to Shareholders in due course. Empire will convene a general meeting to facilitate Shareholder approval for matters in respect of the Proposed Acquisition. Those approvals will include:

(a) the appointment of the Proposed Directors;

(b) the issue of 15,000,000 shares in full repayment of existing Company Loans;

(c) the change in nature and/or scale of the Company's activities;

(d) the issue of 93,750,000 Shares to the Vendors listed in Schedule 4 (or their nominee/s);

(e) the issue, under a Prospectus, of up to 187,500,000 Shares at an issue price of $0.04 per Share to raise $5,500,000 with potential to accept up to $7,500,000 in total;

(f) right for current and Proposed Directors to participate in the Public Offer;

(g) the issue of 10,000,000 Shares to Trident Capital (and/or its nominees) for services in relation to the Proposed Acquisition;

(h) the change of the Company's name to "Venator Petroleum NL"; and

(i) right for current Directors to be paid their outstanding fees in Shares.

subject to Shareholder approval being obtained, the Company's securities will remain suspended until the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and the Proposed Acquisition has completed.

16. Corporate advisory fees

The Company will issue 10,000,000 Shares to Trident Capital (and/or its nominees) for services in relation to the Proposed Acquisition.

17. ASX waivers and confirmations required

The Company intends to seek a waiver from the requirements of Listing Rule 2.1 (Condition 2) and 1.1 (Condition 12) to enable it is issue Shares at $0.04 per Share and to enable it to have Options on issue with an exercise price below $0.20. The Company also intends to seek a waiver in respect of Listing Rule 10.13.3 to allow the securities to be issued to Related Parties at a date later than one (1) month after the shareholder meeting at which their issue was approved. These Related Party securities are intended to be issued at the completion of the Proposed Acquisition.

18. Regulatory requirements generally

The Company notes that:

(a) the Proposed Acquisition requires Shareholder approval under the Listing Rules and therefore may not proceed if that approval is not forthcoming;

(b) the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Acquisition may not proceed if those requirements are not met;

(c) ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Proposed Acquisition may not proceed if ASX exercises that discretion; and

(d) investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

Furthermore, the Company:

(a) notes that ASX takes no responsibility for the contents of this announcement; and

(b) confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

For further information, please contact:

Sean McCormick
Director
Empire Oil & Gas NL

Schedule 1

The key terms of the Agreement to effect the Proposed Acquisition are as follows:

1. **Conditions Precedent:** Completion of the Proposed Acquisition is subject to and conditional upon a number of conditions precedent, including:

   (a) if required by the ASX, Empire successfully satisfying all requirements of Chapters 1 and 2 of the ASX Listing Rules

   (b) each party having obtained all Authorisations of any Regulatory Authority and shareholders which are necessary to implement the transactions contemplated by the Agreement, including for the purposes of Item 7 of Section 611 of the Corporations Act;

   (c) satisfaction of all necessary due diligence investigations by Empire;

   (d) Empire successfully completing the Public Offer for an minimum amount of $5.5 million within 5 months of lodgement of the prospectus; and

   (e) the current Directors resigning from Empire and the appointment of the Proposed Directors.

2. **Consideration**: Subject to satisfaction of the conditions precedent, at completion, Empire will issue as consideration 93,750,000 ordinary fully paid shares to the shareholders of Venator as contained in Schedule 4.

3. **Board composition**: At completion of the Proposed Acquisition, Empire will appoint Messrs Andrew Kirk and Darren Bromley. The Company is also in negotiations to appoint an independent non-executive chairman. Current directors Stephen Hewitt-Dutton, John Gilfillan and Sean McCormick will resign.

4. **Change of name**: Following successful completion of the Proposed Acquisition, Empire will change its name to Venator Petroleum NL.

5. **Formal documents**: the parties agree to negotiate in good faith a formal binding share sale agreement in relation to the transactions contemplated in the term sheet.

Schedule 2 – Empire Financial Statements

Pro forma statement of financial position as at 31 December 2018

PRO-FORMA ACCOUNTS

EMPIRE OIL & GAS NL Raising $5,500,000
FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

	REVIEWED	Acquisition & associated transactions 1. - 3.	Cost of the listing 4.	Capital Raising & Fees 5.	Proforma Balances
Current Assets					
Cash and cash equivalents	130,955	300,000	(250,000)	5,170,000	5,350,955
Total Current Assets	130,955				5,350,955
Non Current Assets					
Exploration and evaluation assets	0	4,013,000			4,013,000
Total Non Current Assets	0				4,013,000
Total Assets	130,955				9,363,955
Current Liabilities					
Trade & other payables	0				0
EGO DOCA & accrued expenses	62,663				62,663
Non-interest bearing liabilities - Convertible note	0	277,046			277,046
Other creditors (shares to be issued)	10,000				10,000
Total Current Liabilities	72,663				349,709
Non-Current Liabilities					
Provisions	0				0
Total Non-Current Liabilities	0				0
Total Liabilities	72,663				349,709
Net Assets	58,292				9,014,246
Equity					
Issued capital	96,792,327	4,063,000		5,500,000	106,355,327
Treasury shares	(87,337)				(87,337)
Reserves	4,033,984	22,954			4,056,938
Retained Earnings	(100,680,682)	(50,000)	(250,000)	(330,000)	(101,310,682)
Current Earnings	0				
	58,292				9,014,246

Notes

1. The acquisition of the entities which hold the asset and the right to access the tenements after native title receieved.
2. Share based payments for directors fees and consultants in relation to prior services (directors) and the transactions (consultants).
3. Recognition of the convertible note raising prior to the acquisition of the assets.
4. Cost of the listing process.
5. IPO capital raised and the associated cost of equity raising.

PRO-FORMA ACCOUNTS

EMPIRE OIL & GAS NL Raising $7,500,000
FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEET

	REVIEWED	Acquisition & associated transactions 1. - 3.	Cost of the listing 4.	Capital Raising & Fees 5.	Proforma Balances
Current Assets					
Cash and cash equivalents	130,955	300,000	(250,000)	7,050,000	7,230,955
Total Current Assets	130,955				7,230,955
Non Current Assets					
Exploration and evaluation assets	0	4,013,000			4,013,000
Total Non Current Assets	0				4,013,000
Total Assets	130,955				11,243,955
Current Liabilities					
Trade & other payables	0				0
EGO DOCA & accrued expenses	62,663				62,663
Non-interest bearing liabilities - Convertible note	0	277,046			277,046
Other creditors (shares to be issued)	10,000				10,000
Total Current Liabilities	72,663				349,709
Non-Current Liabilities					
Provisions	0				0
Total Non-Current Liabilities	0				0
Total Liabilities	72,663				349,709
Net Assets	58,292				10,894,246
Equity					
Issued capital	96,792,327	4,063,000		7,500,000	108,355,327
Treasury shares	(87,337)				(87,337)
Reserves	4,033,984	22,954			4,056,938
Retained Earnings	(100,680,682)	(50,000)	(250,000)	(450,000)	(101,430,682)
Current Earnings	0				
	58,292				10,894,246

Notes

1. The acquisition of the entities which hold the asset and the right to access the tenements after native title receieved.
2. Share based payments for directors fees and consultants in relation to prior services (directors) and the transactions (consultants).
3. Recognition of the convertible note raising prior to the acquisition of the assets.
4. Cost of the listing process.
5. IPO capital raised and the associated cost of equity raising.

Schedule 3

Venator Surat 1186 Pty Ltd (formerly known as Goshawk E&P Pty Ltd) 2017 and 2018 accounts

Financial Report

Goshawk E&P Pty Ltd
30 June 2017

Contents

Compilation Report

Goshawk E&P Pty Ltd

For the year ended 30 June 2017

We have compiled the accompanying special purpose financial statements of Goshawk E&P Pty Ltd, which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Profit and Loss for the period then ended, a summary of significant accounting policies and other explanatory notes.

The directors of Goshawk Holdings are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in notes to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Signed

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk E&P Pty Ltd)
Suite3, 680 Murray Street
WESTPERTH WA 6005

Dated this 19th day of July 2019

Directors Declaration

Goshawk E&P Pty Ltd

For the year ended 30 June 2017

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Notes to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out herein present fairly the company's financial position as at 30 June 2017 and its performance for the period ended on that date in accordance with the accounting policies described in notes to the financial statements; and

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk E&P Pty Ltd)

Dated this 19th day of July 2019

Statement of Financial Position

Goshawk E&P Pty Ltd

As at 30 June 2017

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

	30 Jun 2017	30 Jun 2016
Assets		
Non-Current Assets		
EXPLORATION AND BUSINESS DEVELOPMENT CAPITAL EXPENDITURE	494,752	306,334
Total Non-Current Assets	**494,752**	**306,334**
Total Assets	**494,752**	**306,334**
Liabilities		
Current Liabilities		
PARENT COMPANY LOAN	519,117	317,377
Total Current Liabilities	**519,117**	**317,377**
Net Liabilities	**(24,365)**	**(11,043)**
Equity		
ACCUMULATED LOSSES	(24,365)	(11,043)
Total Equity	**(24,365)**	**(11,043)**

Statement of Profit and Loss

Goshawk E&P Pty Ltd

For the 12 months ended 30 June 2017

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

Account	2017	2016
Operating Expenses		
ASIC FEES	885	763
BOARD AND COMPLIANCE	9,000	6,750
OTHER EXPENSES	3,437	347
Total Operating Expenses	**13,322**	**7,860**
Net Loss	**13,322**	**7,860**

Statement of Significant Policies

Goshawk E&P Pty Ltd

For the year ended 30 June 2017

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

a) Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

c) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and

b) at least one of the following conditions is also met:

c) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

d) Going concern

Notwithstanding the deficiency of net assets in the company, the financial statements of the company have been prepared on a going concern basis. This basis has been applied as the parent entity has provided continuing financial support previously in the form of a loan and extended payments terms for the inter entity trade liabilities.

It is the directors' belief that as a result of future planned transactions the company will be in a position to pay its debts as and when they fall due. Notwithstanding this should the proposed transaction fail to materialise there is a material uncertainty that may cast significant doubt as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business.

e) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Independent Auditor's Report to the Members of Goshawk E&P Pty Ltd

Qualified Auditor's Opinion

We have audited the financial report of Goshawk E&P Pty Ltd ("the Entity") which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2017, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis for Qualified Opinion

The Entity's financial report for the year ended 30 June 2016 was not audited. As the year ended 30 June 2017 was our first period of audit and the terms of our engagement did not extend to the examination of balances as at 30 June 2016, we are not in a position to and do not express and opinion on the comparative balances for the year ended 30 June 2016. In addition, as certain of these comparative balances form the basis of the determination of the results of the year ended 30 June 2017 we are not able to and do not express an opinion on the results for the year ended 30 June 2017.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
19 July 2019

Brad McVeigh
Partner

GOSHAWK ENERGY

Financial Report

Goshawk E&P Pty Ltd
30 June 2018

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Compilation Report

Goshawk E&P Pty Ltd

For the year ended 30 June 2018

We have compiled the accompanying special purpose financial statements of Goshawk E&P Pty Ltd, which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Profit and Loss for the period then ended, a summary of significant accounting policies and other explanatory notes.

The directors of Goshawk Holdings are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in notes to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Signed

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk E&P Pty Ltd)
Suite3, 680 Murray Street
WESTPERTH WA 6005

Dated this 19th day of July 2019

Directors Declaration

Goshawk E&P Pty Ltd

For the year ended 30 June 2018

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Notes to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out herein present fairly the company's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in notes to the financial statements; and

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Andrew Leibovitch

Executive Director

Goshawk Holdings Pty Ltd (as holding company for Goshawk E&P Pty Ltd)

Dated this 19th day of July 2019

Statement of Financial Position

Goshawk E&P Pty Ltd

As at 30 June 2018

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

	30 Jun 2018	30 Jun 2017
Assets		
Non-Current Assets		
EXPLORATION AND BUSINESS DEVELOPMENT CAPITAL EXPENDITURE	581,524	494,572
Total Non-Current Assets	**581,524**	**494,752**
Total Assets	**581,524**	**494,752**
Liabilities		
Current Liabilities		
PARENT COMPANY LOAN	618,676	519,117
Total Current Liabilities	**618,676**	**519,117**
Net Liabilities	**(37,152)**	**(24,365)**
Equity		
ACCUMULATED LOSSES	(37,152)	(24,365)
Total Equity	**(37,152)**	**(24,365)**

Statement of Profit and Loss

Goshawk E&P Pty Ltd

For the 12 months ended 30 June 2018

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

Account	2018	2017
Operating Expenses		
ASIC FEES	981	885
BOARD AND COMPLIANCE	9,000	9,000
OTHER EXPENSES	2,806	3,437
Total Operating Expenses	**12,787**	**13,322**
Net Loss	**12,787**	**13,322**

Statement of Significant Policies

Goshawk E&P Pty Ltd

For the year ended 30 June 2018

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

a) Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

c) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and

b) at least one of the following conditions is also met:

c) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

d) Going concern

Notwithstanding the deficiency of net assets in the company, the financial statements of the company have been prepared on a going concern basis. This basis has been applied as the parent entity has provided continuing financial support previously in the form of a loan and extended payments terms for the inter entity trade liabilities.

It is the directors' belief that as a result of future planned transactions the company will be in a position to pay its debts as and when they fall due. Notwithstanding this should the proposed transaction fail to materialise there is a material uncertainty that may cast significant doubt as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business.

e) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Independent Auditor's Report to the Members of Goshawk E&P Pty Ltd

Opinion

We have audited the financial report of Goshawk E&P Pty Ltd ("the Entity") which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2018, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis for Qualified Opinion

The Entity's financial report for the year ended 30 June 2016 was not audited. As the year ended 30 June 2017 was our first period of audit and the terms of our engagement did not extend to the examination of balances as at 30 June 2016, we are not in a position to and do not express and opinion on the comparative balances for the year ended 30 June 2016. In addition, as certain of these comparative balances form the basis of the determination of the results of the year ended 30 June 2017 and 30 June 2018 we are not able to and do not express an opinion on the results for the year ended 30 June 2017 and 30 June 2018.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Brad McVeigh
Partner

Perth, Western Australia
19 July 2019

Venator Cooper 1196 Pty Ltd (formerly known as Goshawk (QLD) Pty Ltd) 2017 and 2018 accounts

GOSHAWK ENERGY

Financial Report

Goshawk (Qld) Pty Ltd
30 June 2017

GOSHAWK ENERGY

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Compilation Report

Goshawk (Qld) Pty Ltd

For the year ended 30 June 2017

We have compiled the accompanying special purpose financial statements of Goshawk (Qld) Pty Ltd, which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Profit and Loss for the period then ended, a summary of significant accounting policies and other explanatory notes.

The directors of Goshawk Holdings are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in notes to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Signed

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk (Qld) Pty Ltd)
Suite3, 680 Murray Street
WESTPERTH WA 6005

Dated this 19th day of July 2019

Directors Declaration

Goshawk (Qld) Pty Ltd

For the year ended 30 June 2017

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Notes to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out herein present fairly the company's financial position as at 30 June 2017 and its performance for the period ended on that date in accordance with the accounting policies described in notes to the financial statements; and

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk (Qld) Pty Ltd)

Dated this 19th day of July 2019

Statement of Financial Position

Goshawk (Qld) Pty Ltd

As at 30 June 2017

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

	30 Jun 2017	30 Jun 2016
Liabilities		
Current Liabilities		
PARENT COMPANY LOAN	342,547	227,470
Total Current Liabilities	**342,547**	**227,470**
Net Liabilities	**(342,547)**	**(227,470)**
Equity		
ACCUMULATED LOSSES	(342,547)	(227,470)
Total Equity	**(342,547)**	**(227,470)**

Statement of Profit and Loss

Goshawk (Qld) Pty Ltd

For the 12 months ended 30 June 2017

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

Account	2017	2016
Operating Expenses		
ASIC FEES	885	509
EXPLORATION AND BUSINESS DEVELOPMENT EXPENDITURE	106,730	131,286
BOARD AND COMPLIANCE	5,400	4,050
OTHER EXPENSES	2,062	2,098
Total Operating Expenses	**115,077**	**137,943**
Net Loss	**115,077**	**137,943**

Statement of Significant Policies

Goshawk (Qld) Pty Ltd

For the year ended 30 June 2017

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

a) Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

c) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and

b) at least one of the following conditions is also met:

c) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

d) Going concern

Notwithstanding the deficiency of net assets in the company, the financial statements of the company have been prepared on a going concern basis. This basis has been applied as the parent entity has provided continuing financial support previously in the form of a loan and extended payments terms for the inter entity trade liabilities.

It is the directors' belief that as a result of future planned transactions the company will be in a position to pay its debts as and when they fall due. Notwithstanding this should the proposed transaction fail to materialise there is a material uncertainty that may cast significant doubt as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business.

e) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Independent Auditor's Report to the Members of Goshawk (Qld) Pty Ltd

Opinion

We have audited the financial report of Goshawk (Qld) Pty Ltd ("the Entity") which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2017, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

HLB MANN JUDD

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
19 July 2019

Brad McVeigh
Partner

GOSHAWK ENERGY

Financial Report

Goshawk (Qld) Pty Ltd
30 June 2018

Contents

Compilation Report

Goshawk (Qld) Pty Ltd

For the year ended 30 June 2018

We have compiled the accompanying special purpose financial statements of Goshawk (Qld) Pty Ltd, which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Profit and Loss for the period then ended, a summary of significant accounting policies and other explanatory notes.

The directors of Goshawk Holdings are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in notes to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Signed

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk (Qld) Pty Ltd)
Suite 3, 680 Murray Street
WEST PERTH WA 6005

Dated this 19th day of July 2019

Directors Declaration

Goshawk (Qld) Pty Ltd

For the year ended 30 June 2018

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Notes to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out herein present fairly the company's financial position as at 30 June 2018 and its performance for the year ended on that date in accordance with the accounting policies described in notes to the financial statements; and

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

Andrew Leibovitch
Executive Director
Goshawk Holdings Pty Ltd (as holding company for Goshawk (Qld) Pty Ltd)

Dated this 19th day of July 2019

Statement of Financial Position

Goshawk (Qld) Pty Ltd

As at 30 June 2018

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

	30 Jun 2018	30 Jun 2017
Liabilities		
Current Liabilities		
PARENT COMPANY LOAN	404,726	342,547
Total Current Liabilities	**404,726**	**342,547**
Net Liabilities	**(404,726)**	**(342,547)**
Equity		
ACCUMULATED LOSSES	(404,726)	(342,547)
Total Equity	**(404,726)**	**(342,547)**

Statement of Profit and Loss

Goshawk (Qld) Pty Ltd

For the 12 months ended 30 June 2018

This statement is to be read in conjunction with the Notes to the Financial Statements and the accompanying Compilation Report.

Account	2018	2017
Operating Expenses		
ASIC FEES	719	885
EXPLORATION AND BUSINESS DEVELOPMENT EXPENDITURE	54,008	106,730
BOARD AND COMPLIANCE	5,400	5,400
OTHER EXPENSES	2,052	2,062
Total Operating Expenses	**62,179**	**115,077**
Net Loss	**62,179**	**115,077**

Statement of Significant Policies

Goshawk (Qld) Pty Ltd

For the year ended 30 June 2018

The directors' have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the needs of members.

The financial report has been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

a) Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

b) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

c) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

a) the rights to tenure of the area of interest are current; and

b) at least one of the following conditions is also met:

c) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

d) Going concern

Notwithstanding the deficiency of net assets in the company, the financial statements of the company have been prepared on a going concern basis. This basis has been applied as the parent entity has provided continuing financial support previously in the form of a loan and extended payments terms for the inter entity trade liabilities.

It is the directors' belief that as a result of future planned transactions the company will be in a position to pay its debts as and when they fall due. Notwithstanding this should the proposed transaction fail to materialise there is a material uncertainty that may cast significant doubt as to whether the Company will be able to realise its assets and extinguish its liabilities in the normal course of business.

e) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Independent Auditor's Report to the Members of Goshawk (Qld) Pty Ltd

Opinion

We have audited the financial report of Goshawk (Qld) Pty Ltd ("the Entity") which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss, notes to the financial statements, including a summary of significant accounting policies and the declaration of those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Entity as at 30 June 2018, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 of the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity meet the requirements of Note 1. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the special purpose financial report in accordance with the accounting policies described in Note 1 of the financial statements and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Brad McVeigh
Partner

Perth, Western Australia
19 July 2019

Schedule 4 - Vendors of Venator

Shareholders:

Venator Cooper

Goshawk Holdings Pty Ltd – 100%

Venator Surat

Wattrelos Investments Pty Ltd – 50%

Arbois Investments Pty Ltd – 50%

Schedule 5 – Details of the Tenements

Authority to Prospect 1186P

The ATP 1186P permit covers an area of 936 km^2 on the southern flank of the highly productive Surat Basin (Figure 1). Within the area of interest, 3.9 MMbbls of oil have been produced from 5 commercial fields with the same target formations. The permit is proximal to existing infrastructure, including the Jackson to Moonie pipeline that traverses the block.

The basin forms part of the larger Great Artesian Basin, and inter-fingers westward across the Nebine Ridge with the Eromanga Basin, and eastward across the Kumbarilla Ridge with the Clarence-Moreton Basin. Blocks consisting of the Central West Fold Belt and the New England Fold Belt limit the basin to the south, while in the north the basin has been eroded and unconformably overlies Triassic and Permian sediments of the Bowen Basin.

The Surat Basin contains up to 2,500m of sedimentary rocks deposited during the latest Triassic to Early Cretaceous periods. The latest Triassic to earliest Cretaceous succession in the basin consists of five fining-upwards sedimentary cycles dominated by fluvio-lacustrine deposits. The lower part of each cycle typically comprises coarse-grained mature sandstone, grading up into more labile sandstone and siltstone, with mostly siltstone, mudstone and coal in the upper part. In the Cretaceous, inundation of the land by a rise in sea level led to deposition of predominantly coastal plain and shallow marine sediments in two cycles.

Structurally the Surat Basin is relatively simple, with the area of maximum deposition, the Mimosa Syncline, overlying the thickest Permian-Triassic rocks in the Taroom Trough of the underlying Bowen Basin. Major faulting within the basin predominantly mirrors basinal boundary faults of the underlying Bowen Basin. There is substantial folding across the basin, which is due to compaction and draping, as well as some rejuvenation of older pre-Jurassic structures and faults. Formations outcrop along the northern erosional boundary and dip gently to the south and southwest at less than 5°.

ATP 1186P Government Work Program

The Work Program approved on 1 November 2014 by the Department of Resources, Mines and Energy (Queensland) ATP 1186P is presented in Table 1 (the 4-year primary term originally expiring on 31st October, 2018 was officially extended by two years with a new expiry deadline of 31st October, 2020). The permit is currently in good standing.

Table 1: ATP 1186P Permit Work Program

Permit Year	Permit Year Start	Permit Year End	Activity Unit(s)	Activity Description	Indicative Cost (A$k)
One	1 November 2014	31 October 2014		Geotechnical Studies (desktop study)	500
Two	1 November 2014	31 October 2015	105 km	Geotechnical Studies (desktop study) 2D Seismic Survey	500 1,000
Three	1 November 2018[1]	31 October 2019		Geotechnical Studies (desktop study)	500

Permit Year	Permit Year Start	Permit Year End	Activity Unit(s)	Activity Description	Indicative Cost (A$k)
Four	1 November 2019	31 October 2020	Two Wells	Drill 2 wells to at least 2000m to test the Showgrounds Sandstone, Moolayember Fm & Evergreen Fm	5,000
Initial 4-Year Programme					**7,500**

Note the permit can be surrendered at any stage.

Note the original 4-year Primary Term was extended by 2 years and now ends on 31 October 2020.

ATP 1186P – Exploration History

Seismic coverage within and surrounding the permit area is good with approximately1000-line kilometres of 2D seismic (Figure 2). ATP 1186P permit area is surrounded by small oil fields and pools, including Alton, Fairymount, Louise and Narrows to the west and Yellowbank, Thomby Creek, McWhirter and McWhirter East in the middle of the permit area. The small Major gas field (4.3BCF produced) lies to the north.

The Showgrounds Sandstone has been interpreted in four wells within the permit with thicknesses ranging from 2.1m (Golden Springs-1 & Lochnagar-1) to 6.4m in Dunmara-1. These sandstones overlie basement in two wells.

The Evergreen Formation is interpreted in 12 petroleum wells in the permit area with thickness ranges from 52m in Weeyan-1 to 88.1m in Golden Springs-1.

The Walloon Sub-group is interpreted in 12 petroleum wells in the permit area at depths ranging from 1328.9m (Moombah-1) in the southeast to 1461.5m (Weeyan-1) in the central part.

ATP 1186P – Play Types

The plays of the Bowen and Surat basins consist of conventional structural plays along major regional structures and depositional platforms, most of which have some stratigraphic component. Most traps in the Showground sandstones have formed as a result of drape over or onlap onto pre-existing palaeo highs (Towler et al., 2016). Due to the dominance of fluvio-deltaic environments in the sequence, there should be good potential for stratigraphic traps.

There is potential for oil discoveries in the Showgrounds Sandstone and the Evergreen Formation because they are located up-dip from source rocks in the Taroom Trough and in close proximity to fields that have produced good quantities of oil.

There are four principal play types identified within the Permian to Early Jurassic sequences that are considered viable exploration targets within the ATP 1186P permit. They include:

1. Evergreen Formation Sandstones in structural traps (Oil play);
2. Showgrounds Formation sandstones within structural/stratigraphic traps (Oil Play);
3. Basal Permian granite wash play (Gas); and
4. Permian coal measures (Gas).

ATP 1186P Prospectivity

Several leads and prospects are identified within the ATP 1186P permit. Historical technical assessments (e.g. permit relinquishment reports, divestment presentations and gazettal applications), support the presence of leads within the permit area. Ongoing technical studies and potential 2D seismic acquisition as part of the nominated 4 year primary work program could improve delineation of these structures and potentially high grade a drill-ready target.

Authority to Prospect 1196(A)

The ATP 1196(A) permit is currently classified as “under application” with Venator Cooper assigned as preferred bidder – announced in February 2015. The directors of Venator Cooper have advised the following:

1. The block cannot be awarded until a Heritage Protection Agreement (HPA) is signed with Native Title owners.
2. The directors expect that the permit will be granted in the near future at the conclusion of these negotiations.
3. The 4-year primary term work program will commence once the government officially awards the permit – expected Q3 2019.

The ATP 1196(A) permit covers an area of 428 km2 that was previously the tightly held core of the ATP 299 block owned by Santos (60%) and Drillsearch (40%) (Figure 1). There are 8 commercial fields still producing at rates of ~1200 bopd within the immediate vicinity of the permit having estimated remaining reserves of ~8 MMbbls (December 2013) The permit is proximal to an extensive network of existing infrastructure including the SWQ Gas Pipeline that links Ballera to Brisbane and an oil pipeline network to the Jackson oil field and processing facilities.

The Permian to Triassic Cooper Basin and Jurassic to Cretaceous Eromanga Basin of south-west Queensland and South Australia form Australia’s premier onshore petroleum province. Exploration within these basins has occurred over a 50-year period.

The Cooper Basin covers approximately 95,000 km2 in Queensland. It is subdivided into several troughs and depressions bounded by anticlines. It conformably overlies the Warburton Basin and is disconformably overlain by the Cretaceous-Jurassic Eromanga Basin. Sediment thickness for the Cooper Basin is up to 1,250 m in the central part of the basin in Queensland. Although these Permian and Triassic sequences of the Cooper Basin are not present in block ATP 1196(A), there has been an effective petroleum system operating in this region with hydrocarbons generated and migrating from Permian source rocks.

The Eromanga Basin covers approximately 567,000km2 of western Queensland, and extends into the Northern Territory, South Australia and New South Wales. Sequences comprise Jurassic non-marine and Cretaceous non-marine and marine sediments which are up to 2,600m thick. In the Early Jurassic to Early Cretaceous lower non-marine succession, large sand-dominated, braided fluvial systems drained into lowland lakes and swamps. The Early Cretaceous marine succession is dominated by thick transgressive shales, with thin sandstone units reflecting regressive cycles.

The Cooper Basin is gas-dominant with a considerable light liquid component, while the Eromanga Basin is predominantly oil bearing with minor gas. It is generally believed that the Cooper Basin sequence has been the dominant source for both the Eromanga and Cooper Basin hydrocarbons.

ATP 1196(A) Government Work Program

As a consequence of these ongoing HPA negotiations, the permit has not officially been granted to Venator Cooper and no technical studies nominated within the primary 4 year Permit Term have commenced.

ATP 1196(A) Permit Work Program

Permit Year	Permit Year Start	Permit Year End	Activity Unit(s)	Activity Description	Indicative Cost (A$k)
One	TBA[(1)]			Geotechnical Studies (Desktop studies)	500
Two	TBA		100 km^2 One well	Geotechnical Studies 3D Seismic Survey Drill to TD between 1400-1800m	1,000 2,000 3,000
Three	TBA			Geotechnical Studies (Process & Interp 3D)	500
Four	TBA		Two wells	Drill 2 wells to TD between 1400-1800m	6,000
Initial 4-Year Programme					**13,000**

The permit can be surrendered at any stage.

Primary Work program to commence after official award by government following successful completion of the Heritage Protection agreement.

ATP 1196(A) – Exploration History

Seismic coverage within and surrounding the permit area is very good with approximately 1600 line kilometres of 2D seismic and approximately 270km^2 of 3D seismic covering approximately 62% of the license. The permit is surrounded by oil fields lying along a dominant north-west to south-east trend:

- Black Stump field lies to the north;
- Kenmore oil field lies to the north-east;
- Endeavour, Cranstoun, Gimboola, Mulberry, Talgeberry and Utopia fields lie to the east;
- Kooroopa, Kooroopa North, Tarbut, Ipundu and Ipundu North are surrounded by the permit area;
- Tintaburra and Toobunyah fields lie to the west.

Pool-size areas in Eromanga Basin traps are mainly in the range of 1 to 6 km2 and column heights range between 3 to 30m. Field sizes range up to as much as 28 million barrels EUR oil at the Kenmore Oil Field and a total EUR for all fields in the area in excess of 85 million barrels. On these numbers (from the Queensland Mines department) only half of the oil has been produced as at 30th July 2013.

Six wells have been drilled within the ATP 1196(A) exploration permit. Five of the six wells encountered poor to good quality shows at multiple objective levels. These include the Santos operated Currawinya-1, Inspector-1, Enoggarra-1 and Olive Oyl-1 wells. Imnedella-1 well drilled in 1985 by Hartogen Energy recovered moderate to strong oil shows from the Wyandra

Sandstone/Murta Member. Only one of the six wells failed to encounter hydrocarbon shows - Loganberry-1, (Santos 2006).

ATP 1196(A) Prospectivity

Several leads and prospects are identified within the ATP 1196(A) exploration permit. As with many mature exploration permits, few undrilled 4-way structural closures remain. These closures have been recognised through historical technical assessments such as permit relinquishment reports, divestment presentations and gazettal applications. Potential higher risk, structural/stratigraphic traps within the Birkhead sequence have also been identified. It should be noted that both the significant structural/stratigraphic oil fields (Mulberry and Endeavour) were originally mapped and targeted as 4-way dip closures on the available 2D seismic grid. Subsequent appraisal drilling revealed the stratigraphic trapping mechanism.

Ongoing geotechnical studies and the potential acquisition of a 3D seismic survey as part of the nominated 4-year primary program could improve delineation of these features and potentially lead to definition of a high-graded drilling target.